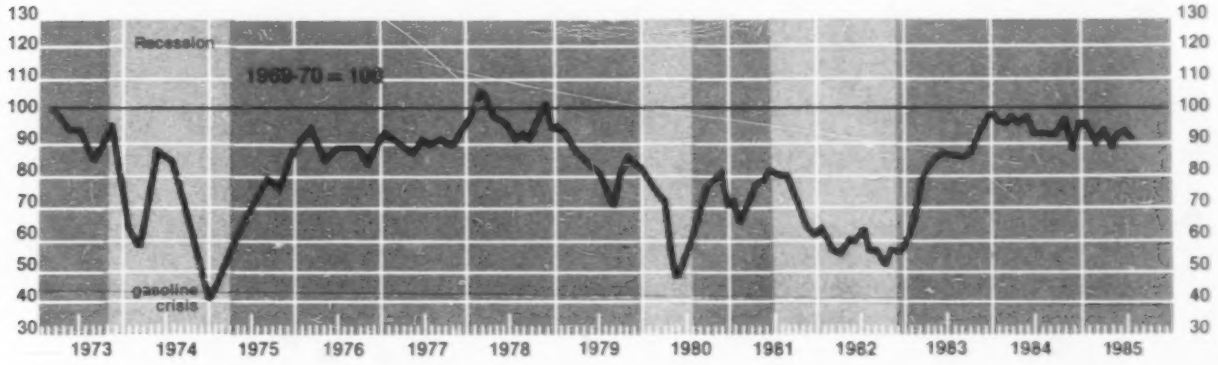
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

September, 1985



CONSUMERS SPIRITS SAG SLIGHTLY BUYING PLANS IMPROVE

The Conference Board's Consumer Confidence Index (1969-70 = 100) edged down in August to 89.9 for a loss of slightly more than two points for the month. Buying plans, however, were a bit stronger.

The decline in the Confidence Index principally reflects an uneasiness in the consumer's assessment of the ongoing situation. As compared to the preceding month, there was a sharp rise in the proportion of those who consider "present" business conditions to be bad. In the latest survey, 24% expressed a negative view, up from less than 20% a month earlier. There is also a growing uneasiness about jobs. More persons than last time complain that jobs are "hard to get."

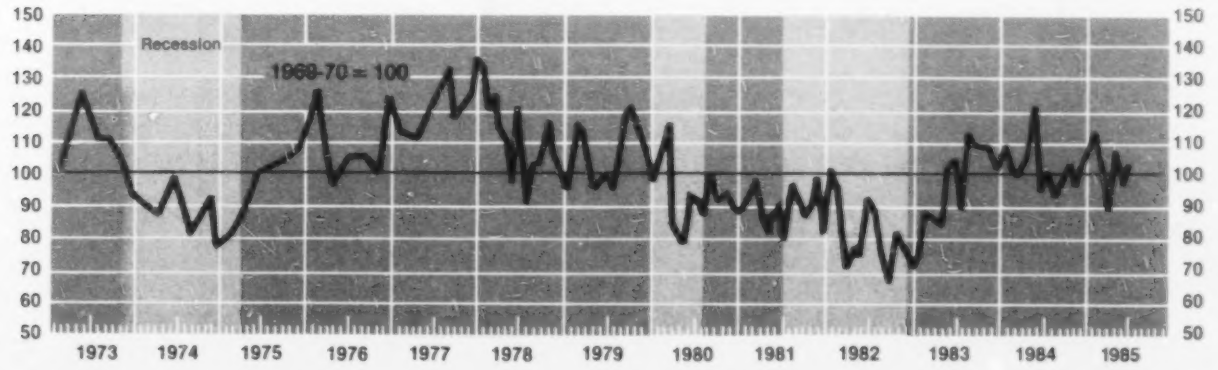
However, in looking ahead to the next 6 months, consumers are somewhat more optimistic than last time. Now, 16.5% expect more jobs to become available in the months to come, a modest increase as compared with the prior probe. There was also a small increase in those who believe that business conditions will improve in the coming months.

Buying plans were mixed. Intentions to purchase an automobile rose to 8.5% of survey participants, up from 7.6% in July. However, this series had lost a good deal of ground in the month before. Plans to purchase a home were indicated by 3.4% of all survey respondents, a marginal gain over the preceding month. However, interest in securing a major appliance edged down to 26.2% from a 28.4% figure previously.

The signals from consumers continue to be indecisive. While their measure of confidence edged off somewhat last month, all of the decline reflected some ambivalence about the current situation. However, consumers are now more optimistic about the future than they have been since early in the year. This is encouraging since the level of consumer expectations has an impressive record as a leading economic indicator. Thus, the message from consumers continues to suggest the economy will grow in the coming months, but at a rather moderate rate. Certainly there are none of the signs of recession ahead.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1984 Aug.	Sept.	Oct.	Nov.	Dec.	1985 Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul. (r)	Aug. (p)
Composite Series: Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	91.3	91.0	91.5	86.8	85.9	86.8	95.8	97.9	93.7	97.2	91.5	92.1	89.9
Present Situation	75.7	79.8	78.7	81.0	72.1	83.0	83.7	78.7	85.1	80.4	82.8	82.5	75.7
Expectations	100.6	98.4	101.3	107.5	95.0	103.6	104.7	90.9	98.6	97.7	97.3	98.5	99.3
Buying Plans Index	102.6	93.1	96.5	102.7	96.2	102.3	98.1	110.2	101.4	98.8	109.0	97.7	102.4
Appraisal of Present Situation: Percent													
Business Conditions													
Good	27.6	28.7	26.9	29.6	25.6	29.4	28.8	28.3	29.5	28.3	29.0	27.8	25.8
Bad	19.9	19.0	19.7	20.1	22.0	19.1	19.6	19.8	18.1	20.3	20.1	19.8	24.2
Normal	52.5	52.3	53.4	50.3	52.4	51.5	51.6	51.9	52.4	51.4	50.9	52.4	50.0
Employment													
Jobs plentiful	18.1	17.7	16.9	19.1	16.5	18.8	19.8	17.7	19.0	19.1	20.3	19.5	19.0
Jobs not so plentiful	49.0	49.3	49.9	47.8	48.5	50.9	49.4	49.1	51.3	48.7	48.2	50.3	49.6
Jobs hard to get	32.9	33.0	33.2	33.1	35.3	30.3	30.8	33.2	29.7	32.2	31.5	30.2	31.4
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	22.8	23.0	24.3	26.1	20.0	22.0	23.7	19.5	19.7	18.3	20.5	19.9	21.4
Worse	9.0	9.5	8.3	8.6	10.2	7.5	7.5	9.6	8.2	9.1	8.7	7.8	9.0
Same	68.2	67.5	67.4	65.3	69.8	70.5	68.8	70.9	72.1	72.6	70.8	72.3	69.6
Employment													
More jobs	16.7	16.2	18.5	19.2	16.4	17.9	17.2	14.3	15.0	13.4	15.2	15.2	16.5
Fewer jobs	15.2	16.0	16.8	13.7	17.2	14.3	13.7	16.7	15.0	16.9	16.0	15.4	15.0
Same	68.1	67.8	64.7	67.1	66.4	67.8	69.1	69.0	70.0	69.7	68.8	69.4	68.5
Income													
Increase	28.2	27.0	29.1	30.9	26.7	28.9	26.1	26.9	26.2	25.6	27.7	26.7	25.7
Decrease	7.5	7.5	8.6	6.8	7.9	8.2	7.7	7.9	7.2	8.2	7.7	7.7	7.5
Same	64.3	65.5	62.3	62.3	65.4	62.9	66.2	65.2	66.6	66.2	64.6	65.6	66.8
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.5	7.0	7.9	8.5	8.1	8.9	9.2	10.1	7.9	7.2	8.8	7.6	8.5
New	4.8	3.6	4.4	4.9	4.6	4.7	4.8	5.3	4.3	4.0	4.8	5.0	5.0
Used	2.8	2.3	2.8	2.7	2.6	2.8	3.1	3.6	2.9	2.5	3.1	2.4	2.9
Uncertain	0.9	1.1	0.7	0.9	0.9	1.4	1.3	1.2	0.7	0.7	0.9	0.2	0.6
Home													
Yes	3.3	3.4	3.3	3.1	2.9	3.2	3.1	3.5	3.7	3.1	3.5	3.3	3.4
New	0.9	1.1	1.1	1.0	1.2	0.8	0.9	0.8	0.9	0.9	1.1	1.3	1.0
Lived in	1.6	1.6	1.4	1.3	1.2	1.5	1.4	1.6	2.0	1.4	1.6	1.3	1.5
Uncertain	0.8	0.7	0.8	0.8	0.5	0.9	0.8	1.2	0.8	0.8	0.8	0.7	0.9
Major appliances													
Total plans	26.5	25.8	27.2	29.5	27.8	27.1	29.5	28.7	25.9	22.7	29.5	28.4	26.2
Refrigerator	4.0	4.1	3.5	4.5	4.2	3.5	3.8	3.9	3.7	3.2	4.7	4.9	3.6
Washing machine	3.4	3.3	3.3	3.9	3.9	3.7	3.6	3.9	4.3	2.9	3.8	3.6	3.9
Black and white TV	0.7	0.7	0.5	1.0	0.7	0.7	0.6	0.8	0.4	0.4	0.5	0.9	0.7
Color TV	7.7	7.0	7.5	7.8	7.0	7.3	8.1	7.6	7.0	6.4	8.4	7.2	7.0
Vacuum Cleaner	4.0	4.1	5.2	4.7	5.0	5.1	5.3	4.5	4.0	3.3	4.8	4.2	3.9
Range	2.6	2.9	2.3	2.9	2.5	2.3	2.9	2.6	2.0	2.3	2.8	2.9	3.1
Clothes dryer	3.0	2.5	3.4	3.2	2.9	3.2	3.4	3.2	3.0	2.6	3.0	3.3	2.6
Air conditioner	1.1	1.2	1.5	1.5	1.6	1.3	1.8	2.2	1.5	1.6	1.5	1.4	1.4
Carpet	6.9	6.3	6.9	7.4	7.0	5.8	7.8	7.0	7.1	5.9	7.5	7.2	7.2
Vacation Intended Within Six Months: Percent													
Vacation Intended	49.0		48.5		45.1		48.9		48.9		50.3		49.3
Destination													
Home state	9.5		10.5		7.2		9.6		9.3		9.7		9.7
Other state	33.7		33.6		31.6		33.7		33.8		35.2		34.4
Foreign country	7.5		6.3		6.8		7.1		8.2		6.9		7.0
Means of Travel													
Automobile	31.3		30.3		26.5		29.6		30.1		32.1		30.3
Airplane	17.3		17.3		17.9		19.3		20.0		19.4		19.2
Other	4.6		3.5		3.7		4.6		5.7		4.3		4.0

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.